

## Moore & Van Allen

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Also Admitted in SC

February 15, 2010

### **VIA ELECTRONIC FILING**

Ms. Jocelyn G. Boyd  
Interim Chief Clerk and Administrator  
The Public Service Commission of South Carolina  
Synergy Business Park  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: GCRM-127, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-127.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels well below the \$6.50 commodity cost of gas reflected in Piedmont's rates. In addition, the balance in Piedmont's gas cost deferred account has been reduced to approximately \$9.9 million as of the end of January, 2010 and is expected to be reduced to roughly half that balance by the end of February.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the rapidly declining balance in its deferred gas cost account, Piedmont is at risk of overcollecting its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not decreased to \$5.85 per dekatherm as proposed herein. The relief requested herein will avoid such overcollection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.06640/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and a decrease of \$0.00140/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in March, 2010.

Ms. Jocelyn G. Boyd  
February 15, 2010  
Page 2

If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

s/ Scott M. Tyler  
Scott M. Tyler

Enclosures

c: Mr. David Carpenter  
Ms. Pia Powers  
Mr. Jim Jeffries  
Office of Regulatory Staff (via email and 5 copies via overnight delivery)

# **RATES AND CHARGES**

**SOUTH CAROLINA RATES AND CHARGES**

**Residential**

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**Residential Service - Value Rate 201**

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.03284
April - October	\$ 8.00	April - October	\$ 0.98490

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**Residential Service - Standard Rate 221**

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.24398
April - October	\$ 8.00	April - October	\$ 1.24891

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**Outdoor Gaslight Service - Rate 205**

Monthly Charge -	\$ 15.00
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## SOUTH CAROLINA RATES AND CHARGES

## Commercial

**Small General Service - Standard Rate 202**

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 1.14563
		April - October	\$ 1.10847

**Small General Service - Value Rate 232**

Monthly Charge -	\$ 22.00	Rate Per Therm -		
		November - March	First 2,000	\$ 1.08150
			Over 2,000	\$ 1.04941
		April - October	First 2,000	\$ 0.97963
			Over 2,000	\$ 0.95071

**Medium General Service - Standard Rate 252**

Monthly Charge -	\$ 75.00	Rate Per Therm -	
		November - March	\$ 1.12004
		April - October	\$ 1.07705

**Medium General Service - Value Rate 262**

Monthly Charge -	\$ 75.00	Rate Per Therm -		
		November - March	First 5,000	\$ 1.04618
			Over 5,000	\$ 1.00962
		April - October	First 5,000	\$ 0.94767
			Over 5,000	\$ 0.92130

**Small General Service - Motor Fuel Rate 242**

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 0.85550
		April - October	\$ 0.84228

## SOUTH CAROLINA RATES AND CHARGES

## Industrial

**Large General Sales Service - Rate 203**

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	1.90000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.86966	First 15,000	\$ 0.77623
Next 15,000	\$ 0.79801	Next 15,000	\$ 0.72761
Next 75,000	\$ 0.75859	Next 75,000	\$ 0.73555
Next 165,000	\$ 0.68153	Next 165,000	\$ 0.66296
Next 330,000	\$ 0.62621	Next 330,000	\$ 0.62121
Over 600,000	\$ 0.59764	Over 600,000	\$ 0.59764

**Interruptible Sales Service - Rate 204**

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.95048	First 15,000	\$ 0.79121
Next 15,000	\$ 0.87505	Next 15,000	\$ 0.74241
Next 75,000	\$ 0.82496	Next 75,000	\$ 0.71581
Next 165,000	\$ 0.84849	Next 165,000	\$ 0.68984
Next 330,000	\$ 0.72465	Next 330,000	\$ 0.63621
Over 600,000	\$ 0.63764	Over 600,000	\$ 0.60764

**Large General Transportation Service - Rate 213**

Monthly Charge -		\$	250.00
Demand Charge (monthly per peak day therm usage) -		\$	0.60000
Standby Sales Service Charge (monthly per peak day therm usage) -		\$	1.30000
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25347	First 15,000	\$ 0.18267
Next 15,000	\$ 0.18655	Next 15,000	\$ 0.13433
Next 75,000	\$ 0.14016	Next 75,000	\$ 0.10841
Next 165,000	\$ 0.09653	Next 165,000	\$ 0.07520
Next 330,000	\$ 0.04121	Next 330,000	\$ 0.03621
Over 600,000	\$ 0.01264	Over 600,000	\$ 0.01264

**Interruptible Transportation Service - Rate 214**

Monthly Charge -		\$	250.00
Rate Per Therm -			
	<u>November - March</u>		<u>April - October</u>
First 15,000	\$ 0.25296	First 15,000	\$ 0.18206
Next 15,000	\$ 0.18591	Next 15,000	\$ 0.13283
Next 75,000	\$ 0.13736	Next 75,000	\$ 0.10228
Next 165,000	\$ 0.08915	Next 165,000	\$ 0.07167
Next 330,000	\$ 0.04213	Next 330,000	\$ 0.05656
Over 600,000	\$ 0.01264	Over 600,000	\$ 0.01264

**SOUTH CAROLINA RATES AND CHARGES**

**Miscellaneous Fees And Charges**

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**Schedule For Limiting And Curtailing Service - Rate 206**

Emergency Service Rate Per Therm	\$ 1.00	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.
Unauthorized Over Run Penalty Per Therm	\$ 2.50	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.

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**Reconnect Fees**

February Through August	\$ 40.00
September Through January	\$ 60.00

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**Returned Check Charge**

Returned Check Charge	\$ 25.00
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Issued by Tom Skains, CEO & President  
Issued to comply with the authority granted by  
The Public Service Commission of South Carolina  
GCRM-127

Issued: February 15, 2010  
Effective: March 1, 2010

# **SCHEDULE A**



Piedmont Natural Gas Company, Inc.  
Purchased Gas Adjustment effective March 2010  
GCRM - 127

South Carolina  
Rate Schedules:

		<u>Present</u> <u>Billing Rates</u>	<u>Change</u>	<u>Proposed</u> <u>Billing Rates</u>
<b>201</b>	<b>Residential Service - Value</b>			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.09924	(0.06640)	1.03284
	Summer (Apr.-Oct.)	1.05130	(0.06640)	0.98490
<b>221</b>	<b>Residential Service - Standard</b>			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.31038	(0.06640)	1.24398
	Summer (Apr.-Oct.)	1.31531	(0.06640)	1.24891
<b>205</b>	<b>Outdoor Gas Light Service</b>			
	Monthly Charge	15.00	-	15.00
<b>202</b>	<b>Small General Service-Standard</b>			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	1.21203	(0.06640)	1.14563
	Summer (Apr.-Oct.)	1.17487	(0.06640)	1.10847
<b>232</b>	<b>Small General Service-Value</b>			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)			
	First 2,000	1.14790	(0.06640)	1.08150
	Over 2,000	1.11581	(0.06640)	1.04941
	Summer (Apr.-Oct.)			
	First 2,000	1.04603	(0.06640)	0.97963
	Over 2,000	1.01711	(0.06640)	0.95071
<b>252</b>	<b>Medium General Service-Standard</b>			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)	1.18644	(0.06640)	1.12004
	Summer (Apr.-Oct.)	1.14345	(0.06640)	1.07705
<b>262</b>	<b>Medium General Service-Value</b>			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)			
	First 5,000	1.11258	(0.06640)	1.04618
	Over 5,000	1.07602	(0.06640)	1.00962
	Summer (Apr.-Oct.)			
	First 5,000	1.01407	(0.06640)	0.94767
	Over 5,000	0.98770	(0.06640)	0.92130
<b>242</b>	<b>Small General Service-Motor Fuel</b>			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	0.92190	(0.06640)	0.85550
	Summer (Apr.-Oct.)	0.90868	(0.06640)	0.84228

Piedmont Natural Gas Company, Inc.  
Purchased Gas Adjustment effective March 2010  
GCRM - 127

South Carolina  
Rate Schedules:

	<u>Present</u> <u>Billing Rates</u>	<u>Change</u>	<u>Proposed</u> <u>Billing Rates</u>
<b>203 Large General Sales Service</b>			
Monthly Charge	250.00	-	250.00
Billing Demand (therms)	1.90000	-	1.90000
Winter (Nov.-Mar.)			
First 15,000	0.93606	(0.06640)	0.86966
Next 15,000	0.86441	(0.06640)	0.79801
Next 75,000	0.82499	(0.06640)	0.75859
Next 165,000	0.74793	(0.06640)	0.68153
Next 330,000	0.69261	(0.06640)	0.62621
Over 600,000	0.66404	(0.06640)	0.59764
Summer (Apr.-Oct.)			
First 15,000	0.84263	(0.06640)	0.77623
Next 15,000	0.79401	(0.06640)	0.72761
Next 75,000	0.80195	(0.06640)	0.73555
Next 165,000	0.72936	(0.06640)	0.66296
Next 330,000	0.68761	(0.06640)	0.62121
Over 600,000	0.66404	(0.06640)	0.59764
<b>204 Interruptible Sales Service</b>			
Monthly Charge	250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	1.01688	(0.06640)	0.95048
Next 15,000	0.94145	(0.06640)	0.87505
Next 75,000	0.89136	(0.06640)	0.82496
Next 165,000	0.91489	(0.06640)	0.84849
Next 330,000	0.79105	(0.06640)	0.72465
Over 600,000	0.70404	(0.06640)	0.63764
Summer (Apr.-Oct.)			
First 15,000	0.85761	(0.06640)	0.79121
Next 15,000	0.80881	(0.06640)	0.74241
Next 75,000	0.78221	(0.06640)	0.71581
Next 165,000	0.75624	(0.06640)	0.68984
Next 330,000	0.70261	(0.06640)	0.63621
Over 600,000	0.67404	(0.06640)	0.60764

Piedmont Natural Gas Company, Inc.  
Purchased Gas Adjustment effective March 2010  
GCRM - 127

South Carolina  
Rate Schedules:

	Present <u>Billing Rates</u>	<u>Change</u>	Proposed <u>Billing Rates</u>
<b>213 Large General Transportation Service</b>			
Monthly Charge	250.00	-	250.00
Standby Demand	1.30000	-	1.30000
Billing Demand (therms)	0.60000	-	0.60000
Winter (Nov.-Mar.)			
First 15,000	0.25487	(0.00140)	0.25347
Next 15,000	0.18795	(0.00140)	0.18655
Next 75,000	0.14156	(0.00140)	0.14016
Next 165,000	0.09793	(0.00140)	0.09653
Next 330,000	0.04261	(0.00140)	0.04121
Over 600,000	0.01404	(0.00140)	0.01264
Summer (Apr.-Oct.)			
First 15,000	0.18407	(0.00140)	0.18267
Next 15,000	0.13573	(0.00140)	0.13433
Next 75,000	0.10981	(0.00140)	0.10841
Next 165,000	0.07660	(0.00140)	0.07520
Next 330,000	0.03761	(0.00140)	0.03621
Over 600,000	0.01404	(0.00140)	0.01264
<b>214 Interruptible Transportation Service</b>			
Monthly Charge	250.00	-	250.00
Winter (Nov.-Mar.)			
First 15,000	0.25436	(0.00140)	0.25296
Next 15,000	0.18731	(0.00140)	0.18591
Next 75,000	0.13876	(0.00140)	0.13736
Next 165,000	0.09055	(0.00140)	0.08915
Next 330,000	0.04353	(0.00140)	0.04213
Over 600,000	0.01404	(0.00140)	0.01264
Summer (Apr.-Oct.)			
First 15,000	0.18346	(0.00140)	0.18206
Next 15,000	0.13423	(0.00140)	0.13283
Next 75,000	0.10368	(0.00140)	0.10228
Next 165,000	0.07307	(0.00140)	0.07167
Next 330,000	0.05796	(0.00140)	0.05656
Over 600,000	0.01404	(0.00140)	0.01264

# **SCHEDULE B**


Piedmont Natural Gas Company, Inc.  
South Carolina  
Commodity Cost of Gas Calculation  
GCRM - 127

	Annualized Throughput (DT) per Docket 2005-125-G Settlement Approved on 10/13/2009	Proposed Increase (Decrease) in Rate per DT	Total
Sales	13,626,116	\$ (0.65)	\$ (8,856,975)
Transportation	4,826,194		
Total Throughput	18,452,310		
LAUF %	2.16%		
Company Use & Lost And Unacct For	398,570	\$ (0.65)	\$ (259,071)
Total Throughput			18,452,310
LAUF Rate Adjustment per DT			(0.0140)
Sales Commodity Rate Adjustment per DT			\$ (0.6640)
Sales Commodity Rate Adjustment per Therm			\$ (0.06640)
Transportation Commodity Rate Adjustment per DT			\$ (0.0140)
Transportation Commodity Rate Adjustment per Therm			\$ (0.00140)
Current Effective Benchmark per DT			\$ 6.50
Proposed Effective Benchmark per DT			\$ 5.85

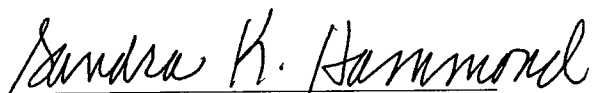
STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

**VERIFICATION**

Pia Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs for Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

  
\_\_\_\_\_  
Pia Powers

Sworn to and subscribed before me  
this the 12<sup>th</sup> day of February 2010.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

August 4, 2013

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached documents are being served this date via email and UPS Overnight (5 copies) upon:

Florence P. Belser  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
fbelser@regstaff.sc.gov

And that a copy of the attached documents are being served this date via email and U.S. Mail upon:

David Carpenter  
Managing Director Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
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Pia Powers  
Manager, Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
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pia.powers@piedmontng.com

This the 15th day of February, 2010.

s/ Scott M. Tyler  
Scott M. Tyler